

## Message Text

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71

ACTION ARA-17

INFO OCT-01 ADP-00 XMB-07 OPIC-12 AID-20 EB-11 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02

CIAE-00 INR-10 NSAE-00 RSR-01 /118 W

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R 012018 Z JUN 73

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 6288

C O N F I D E N T I A L MEXICO 3933

E. O. 11652: GDS

TAGS: PGOV, MX

SUBJECT: RESIGNATION OF SECRETARY MARGAIN

1. THE FOLLOWING COMMENTS ON THE RESIGNATION OF SECRETARY OF TREASURY MARGAIN ARE PURELY PERSONAL ONES BASED ON A FRIENDSHIP OF OVER FOUR YEARS DURING WHICH WE HAVE BEEN QUITE CLOSE FRIENDS DURING HIS TENURE AS AMBASSADOR TO WASHINGTON AND LATER SINCE HIS APPOINTMENT AT THE END OF DIAZ ORDAZ TERM AT ECHEVERRIA'S REQUEST AS SECRETARY OF TREASURY.
2. MARGAIN HAS NEVER FITTED CLOSELY INTO THE PATTERN WHICH ECHEVERRIA HAS TRIED TO CREATE OF EXTREME INFORMALITY AND AN OVERRIDING CONCERN FOR THE COMMON MAN. MARGAIN HAS RATHER BEEN THE CLASSIC TREASURY MINISTER WHO HAS ATTEMPTED TO FOLLOW AND PROMOTE ORTHODOX FINANCIAL POLICIES. DESPITE HIS EXTREME DISCRETION SOME EVIDENCE OF HIS CONCERN OVER THE LACK OF INTEREST OF THE PRESIDENT IN BALANCING THE BUDGET AND SUCH USUAL MATTERS HAS COME TO THE SURFACE WITH ME AND WITH MUTUAL FRIENDS. HE HAS APPEARED INCREASINGLY HARASSED DURING THE MORE RECENT TALKS WHICH I HAVE HAD WITH HIM AND HAS BEEN SOMETHAT EVASIVE ON OCCASION. I SHOULD STRESS THAT HIS LOYALTY TO ECHEVERRIA IN CONVERSTATIONS WITH ME HAS ALWAYS BEEN COMPLETE.
3. ONE OF THE PROBLEMS OF COURSE HAS BEEN THAT MARGAIN THOUGH-OUT HIS ACTIVE LIFE HAS BEEN INTIMATELY ASSOCIATED WITH THOSE  
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ELEMENTS WHICH NOW DOMINATE THE PRIVATE SECTOR OF MEXICAN BANKING AND BUSINESS. THESE ARE HIS CLOSE PERSONAL FRIENDS AND HE HAS HAD TO ADOPT AN ATTITUDE OF DISSOCIATION FROM THEM BECAUSE OF THE GENERALLY ANTAGONISITC ATTITUDE OF THIS ADMINISTRATION TO THESE

PEOPLE. INDIVIDUALS HAVE COMPLAINED TO ME THAT THEY HAVE KNOWN MARGAIN FOR MANY YEARS AND HE HAS COMPLETELY REFUSED TO SEE THEM. THIS IS OBVIOUSLY BECAUSE HE WOULD HAVE TO REJECT THEIR PROPOSALS WHICH PRESUMABLY WOULD REFLECT THE POSITION OF THE PRIVATE SECTOR AND THEREFORE NOT BE IN ACCORD WITH THE POLILIES OF THE ECHEVERRIA GOVERNMENT.

4. IN RECENT MONTHS MARGAIN HAS RECEDED SOMEWHAT FROM VIEW AS THE SOCIALIST- LEANING SECRETARY OF NATIONAL PATRIMONY FLORES DE LA PENA ( NOW IN CHILE) HAS OBVIOUSLY GAINED POWER. THIS HAS BEEN WIDELY DISCUSSED THROUGHOUT MEXICO WITH DISMAY BY THE PRIVATE SECTOR. I HAVE NOT ATTEMPTED TO SEE MARGAIN SINCE HIS RESIGNATION AND PLAN TO WAIT A WEEK OR SO. I AM SURE HE WILL REMAIN DISCREET. PERHAPS I WILL BE ABLE TO CONFIRM MY VIEW THAT HIS DEPARTURE, WHILE POSSIBLY BROUGHT ABOUT BY SOME SPECIFIC INCIDENT WITH THE PRESIDENT, IS BASICALLY SIMPLY A RECOGNITION BY MARGAIN HIMSELF THAT HIS CONSERVATIVE AND ORTHODOX VIEWS ON ECONOMIC AND FINANCIAL MATTERS WERE FUNDAMENTALLY OUT OF LINE WITH THE NEO- CARDENISM WHICH HAS GAINED THE UPPER HAND IN THIS ADMINISTRATION. ONE NEED NOT BELABOR MARGAIN' S DISTRESS AT THE SPENDING PROGRAMS WHICH HAVE BEEN ANNOUNCED BUT CERTAINLY HIS DEPARTURE REPRESENTS ON HIS PART A DISENCHANTMENT WITH WHAT IS GOING ON VERY POSSIBLY COUPLED WITH AN UNHAPPINESS ON THE PART OF THE PRESIDENT AT MARGAIN' S RELUCTANCE TO SUPPORT ENTHUSIASTICALLY VARIOUS OF THESE SPENDING PROGRAMS.

5. WE WILL BE REPORTING MUCH MORE IN DEPTH LATER OF COURSE ON ATTITUDES ADESHOULD BE ELECTITO TAKELATER IF THAT BECOMES NEBAL

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**TAGS:** PGOV, MX  
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